

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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SF 2350 – Probate Omnibus (LSB 5222 SV.2)

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Fiscal Note Version – As Amended and Passed by the House (S-5319)

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**Description**

Senate File 2350, as amended and passed by the House (S-5319), allows creditors to reach a beneficiary's interest in a spendthrift trust for necessities and taxes, and clarifies other provisions in the Bill, when the settlor has given the beneficiary an interest in the trust. The Bill, as passed by the Senate, includes reorganizing and restructuring of current provisions in the trust code relating to creditors' rights, spendthrift trusts, spendthrift trusts for the benefit of the settlor, overdue distributions, and other new provisions relating to creditors' rights and discretionary trusts.

**Assumptions**

Senate File 2350, as amended and passed by the House, does not limit creditors, including the Medicaid Program, from reaching a beneficiary's interest in a trust, when the creditor is recovering for a necessary expense of the beneficiary. As all of the Medicaid expenses are necessary medical expenses, this amendment changes the Bill to the extent there is no longer any fiscal impact on the Medicaid Program.

**Fiscal Impact**

Senate File 2350, as amended and passed by the House, minimizes the fiscal impact in the Bill as passed by the Senate.

**Sources**

Department of Human Services  
Department of Revenue  
Judicial Branch

/s/ Holly M. Lyons

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April 10, 2008

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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